



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 6, 2009

Gene Lyons, V.P. Quality Systems
Peregrine Semiconductor
9450 Carroll Park Dr.
San Diego CA 92121

Dear Mr. Lyons:

RE: FINAL MONITORING VISIT REPORT for Peregrine Semiconductor – ET07-0398

Date of the Visit:	5/30/09
Beginning/Ending Time:	1:00 p.m. – 2:00 p.m.
Date of Last Visit:	1/29/09
Visit Location:	Via teleconference
Persons in attendance:	Sarah Canfield, H.R. Assistant, Peregrine Semiconductor; Joe Davey, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	6/4/09 – 6/3/09	Agreement Amount:	\$201,600
Training Start Date:	6/13/07	No. to Retain:	112
Date Training must be Completed:	3/5/09	Range of Hours:	24 - 150
Type of Trainee:	Retrainee	Weighted Ave. Hours:	100

There were no action-items resulting from this visit.

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FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on 6/15/07 and training began on 6/13/07. Your staff reported that all training was completed on 4/4/08, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 4/4/08. There were no Modifications or Amendments to the Agreement.

• INTERVIEW WITH Sarah Canfield, H.R. Assistant, Peregrine Semiconductor

Ms. Canfield reported that the biggest barrier the company had in implementing its ETP project was finding qualified instructors to teach the classes. Peregrine went through three (3) instructors before it found the right instructor for Continuous Improvement training. Ms. Canfield reported that it was very difficult finding instructors who can teach these courses while relating the training to its technology. Employees eventually expressed frustration and resentment toward the instructors and stopped coming to training because the trainers weren't a good fit and the trainees felt it was a waste of their time attending. After several sessions of this kind, it was difficult to motivate trainees to return to training.

Ms. Canfield reported that Peregrine did not have had any major issues with ETP's record keeping requirements.

Ms. Canfield reported that it would be very helpful if ETP had a list of recommended trainers and the topics that they train. Peregrine took several months searching for trainers that it wasted valuable training time. Even just having a source where employers on the ETP project could go online and rate different trainers would be a great help. Mr. Davey informed her that, as a state government agency, ETP is restricted in providing this kind of information because it cannot endorse or in any way promote services related to its funding of Agreements.

Ms. Canfield reported that the ETP training helped Peregrine learn the importance and value of training its employees. As a result of its ETP experience, Peregrine created a "Training Committee" focused on scheduling training sessions and researching trainers. A positive result of its unfortunate experience with inadequate trainers is that Peregrine now has a list of good trainers and classes that finally meet its needs and the needs of trainees. In addition, even though the ETP project is closed, it has helped the company to strengthen its commitment to training.

Peregrine is creating a Continuous Improvement Team, stemming from the Training Committee, to help guide and implement Continuous Improvement within the company. Prior to ETP Peregrine did not have a formal training program as Peregrine are a "start-up" company and didn't have funds to begin a program. ETP has helped us kick off the formal training program and Peregrine hope that Peregrine will be able to continue with ETP to help keep its training program successful.

During the monitoring visit, Ms. Canfield provided Mr. Davey with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you expected to retain a total of 63 trainees (56% percent of planned retentions) for a total reimbursement of \$61,489, (30 percent of the encumbered amount).

As of the date of this report, ETP records show that 62 trainees have completed training (55% of planned retentions) and the 90-day retention. ETP records show that \$59,241 has been approved as earned payment (29 percent of planned earnings). Mr. Davey reminded those in attendance that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	112	Completed Training:	62
Trainees Enrolled:	176	Completed Retention:	62
Dropped Following Enrollment:	112	In Retention Period:	62
No. Completed Minimum Reimbursable Hours:	62		

The statistics above are current as of the date of the report. Two trainees are shown as active.

ATTENDANCE ROSTERS:

Because there was no additional training since the monitoring visit in January, Mr. Davey did not examine Peregrine's class/lab rosters for the closeout of the Agreement. As reported in the last monitoring report, he examined class/lab rosters for two Job 1 trainees who have reached at least the 24 hours of training to be eligible for full reimbursement. The review covered training conducted between March 2008 and January 2009, 32 rosters. Mr. Davey compared the information on the rosters for the two Job 1 trainees with the information reported on the class/lab tracking system. Mr. Davey's review verified that the information on the class/lab rosters agrees with the number of hours reported in the online class/lab tracking system. His review also validated that the information on the class/lab rosters contains all the information required as specified in Title 22, California Code of Regulations, Section 4442, Record Keeping.

You are advised that only a sample of records were reviewed and it is suggested that Peregrine Semiconductor Corporation conduct a 100 percent review of all class/lab rosters prior to the closeout of this Agreement.

SUBAGREEMENTS:

Mr. Davey reviewed the agreements of 4 training subcontractors listed on the ETP 100D form online: ASCE, CA Home Building Foundation, CA Land Surveyors, and UC Riverside Extension. The review of the agreements between Tait and the training providers consisted of e-mails, invoices, and course description information that showed number of trainees, costs, and course information provided by the vendor. The information provided appeared to show costs for services that matched information in the online ETP 100D form.

AUDIT:

Peregrine Semiconductor Corporation will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of the documentation that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

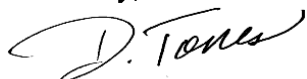
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Joe Davey at (619) 686-1919 or at JDavey@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Field Office



Joe Davey, Contract Analyst
San Diego Field Office

cc: Sarah Canfield, H.R. Assistant, Peregrine Semiconductor

Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor August 19, 2009